

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION**

SWIPE INNOVATIONS, LLC,

Plaintiff,

v.

ELAVON, INC., ET AL.,

Defendants.

CIVIL ACTION NO. 9:12-cv-40

JURY TRIAL DEMANDED

ANSWER TO HEARTLAND PAYMENT SYSTEMS INC.'S COUNTERCLAIMS

Plaintiff Swipe Innovations, LLC ("Swipe") files this answer to the counterclaims of defendant Heartland Payment Systems Inc. ("Heartland"), based on its own knowledge with respect to itself and its own actions and based on information and belief as to all other matters, as follows. Any allegation not specifically admitted is denied:

PARTIES

1. Admitted.
2. Admitted.

JURISDICTION AND VENUE

3. Admitted.
4. Admitted.
5. Admitted that venue is proper in this district over Swipe for purpose of these counterclaims. Otherwise denied.
6. Admitted.
7. Admitted.

FIRST COUNTERCLAIM

(Declaratory Judgment of Non-Infringement of United States Patent No. 5,351,296)

8. Swipe incorporates and realleges the paragraphs above as though fully restated herein. Otherwise denied.

9. Denied.

SECOND CLAIM FOR RELIEF

(Declaratory Judgment of Invalidity of United States Patent No. 5,351,296)

10. Swipe incorporates and realleges the paragraphs above as though fully restated herein. Otherwise denied.

11. Denied.

PRAYER FOR RELIEF

Swipe denies that Heartland is entitled to any of the relief sought in its prayer.

JURY DEMAND

Swipe demands a trial by jury of any issues so triable by right.

Dated: July 2, 2012

Respectfully submitted,

/s/ Larry D. Thompson, Jr.
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Attorneys for Swipe Innovations, LLC

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of July, 2012, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record.

/s/ Larry D. Thompson, Jr.
Larry D. Thompson, Jr.